

ARTICLES
OF
GLEN ECHO RESORTS LTD.

TABLE OF CONTENTS

1.	Interpretation	1
2.	Shares and share certificates	2
3.	Issue of shares	3
4.	Share registers	3
5.	Transfer of shares	3
6.	Transmission of shares	4
7.	Alteration of capital	5
8.	Purchase and redemption of shares	6
9.	Borrowing powers	7
10.	General meetings	7
11.	Proceedings at general meetings	8
12.	Votes of members	10
13.	Directors	12
14.	Election and removal of Directors	13
15.	Powers and duties of Directors	14
16.	Disclosure of interest of Directors	15
17.	Proceedings of Directors	16
18.	Officers	17
19.	Indemnity and protection of Directors, offices and employees	18
20.	Dividends and reserves	19
21.	Documents, records and reports	20
22.	Notices	21
23.	Record dates	21
24.	Seal and Execution of Documents	22
25.	Prohibitions	22
26.	Restrictions on share transfers	23
27.	Special rights and restrictions	25

PROVINCE OF BRITISH COLUMBIA
COMPANY ACT

ARTICLES

OF

GLEN ECHO RESORTS LTD.

PART 1

INTERPRETATION

1.01 In these Articles, unless there is something in the subject or context inconsistent therewith:

"Company Act" means the Company Act of the Province of British Columbia as from time to time enacted, and all amendments thereto, and includes the regulations made pursuant thereto.

"Directors", "Board of Directors" or "Board" mean the Directors or, if the Company has only one director, the Director of the Company for the time being.

"month" means calendar month.

"registered address" of a Director means the address of the Director recorded in the register of directors.

"registered address" of a member means the address of the member recorded in the register of members.

"registered owner" or "registered holder" when used with respect to a share in the authorized capital of the Company means the person registered in the register of members in respect of such share.

"seal" means the common seal of the Company, if the Company has one.

Words importing the singular include the plural and vice versa; and words importing male persons include female persons and words importing persons shall include corporations.

1.02 The meaning of any words or phrases defined in the Company Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

1.03 The Rules of Construction contained in the Interpretation Act shall apply, mutatis mutandis, to the interpretation of these Articles.

1.04 The provisions contained in Table A in the First Schedule to the Company Act shall not apply to the Company.

PART 2

SHARES AND SHARE CERTIFICATES

2.01 Every share certificate issued by the Company shall be in such form as the Directors may approve from time to time and shall contain such statements as are required by, and shall otherwise comply with, the Company Act.

2.02 Every member is entitled, without charge, to one certificate representing the share or shares of each class or series held by him;

(a) provided that, in respect of a share or shares held jointly by several members, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint registered holders shall be sufficient delivery to all;

(b) and provided further that the Company shall not be bound to issue certificates representing redeemable shares if such shares are to be redeemed within one month of the date on which they were allotted.

Any share certificate may be sent by registered mail to the member entitled thereto, and neither the Company nor any transfer agent shall be liable for any loss occasioned to the member if any such share certificate is lost in the mail or stolen.

2.03 If a share certificate:

(a) is worn out or defaced, the Directors may, upon production to them of the said certificate and upon such other terms, if any, as they may think fit, order the said certificate to be cancelled and issue a new certificate in lieu thereof;

(b) is lost, stolen or destroyed, then, upon proof thereof to the satisfaction of the Directors and upon such indemnity, if any, as the Directors deem adequate being given, a new share certificate in lieu thereof may be issued to the person entitled to such lost, stolen or destroyed certificate; or,

(c) represents more than one share and the registered owner thereof surrenders it to the Company with a written request that the Company issue in his name two or more certificates each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Directors shall cancel the certificate so surrendered and issue in lieu thereof certificates in accordance with such request.

Such reasonable sum as the Directors may from time to time set shall be paid to the Company for each certificate to be issued under this Article.

2.04 Every share certificate shall be signed manually by at least one Officer or Director of the Company.

2.05 Except as required by law, statute or these Articles, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled

in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or in any fractional part of a share or (except as provided by law, statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in its registered holder.

PART 3

ISSUE OF SHARES

3.01 Subject to the provisions of the Company Act, the Memorandum and these Articles, the shares of the Company shall be under the control of the Directors who may, subject to the rights of the holders of issued shares of the Company, issue, allot, sell or otherwise dispose of, and/or grant options on or otherwise deal in, shares authorized but not outstanding at such time, to such persons, including Directors, in such manner, upon such terms and conditions, and at such price or for such consideration, as the Directors in their absolute discretion, may determine.

3.02 Subject to the provisions of the Company Act, the Company may pay a commission or allow a discount to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares in the Company.

3.03 No share may be issued until it is fully paid and the Company shall have received the full consideration therefor in cash, property or past services actually performed for the Company. The value of property or services for the purpose of this Article shall be the value determined by the Directors by resolution to be, in all the circumstances of the transaction, the fair market value thereof. The full consideration received for a share issued by way of dividend shall be the amount determined by the Directors to be the amount of the dividend.

PART 4

SHARE REGISTERS

4.01 The Company shall keep or cause to be kept a register of members, a register of transfers and a register of allotments within British Columbia, all as required by the Company Act, and may combine one or more of such registers. If the Company's capital shall consist of more than one class or series of shares, a separate register of members, register of transfers and register of allotments may be kept in respect of each class or series of shares.

4.02 The Company shall not at any time close its register of members.

PART 5

TRANSFER OF SHARES

5.01 Subject to the provisions of the Memorandum and of these Articles, any member may transfer any of his shares by instrument in writing executed by or on behalf of such member and

delivered to the Company. The instrument of transfer of any share of the Company shall be in the form, if any, on the back of the Company's share certificates or in such form as the Directors may from time to time approve.

Except to the extent that the Company Act may otherwise provide, the transferor shall be deemed to remain the holder of the shares until the name of the transferee is entered in the register of members in respect thereof.

5.02 The signature of the registered owner of any shares, or his duly authorized attorney, upon an authorized instrument of transfer shall constitute a complete and sufficient authority to the Company, its Directors, officers and agents to register in the name of the transferee the number of shares specified therein or, if no number is specified, all the shares of the registered owner represented by the share certificates deposited with the instrument of transfer.

If no transferee is named in the instrument of transfer, the instrument of transfer shall constitute a complete and sufficient authority to the Company, its Directors, officers and agents to register, in the name of the person on whose behalf any certificate for the shares to be transferred is deposited, the number of shares specified in the instrument of transfer or, if no number is specified, all the shares represented by all share certificates deposited with the instrument of transfer.

5.03 Neither the Company nor any Director, officer or agent thereof shall be bound to enquire into the title of the person named in the form of transfer as transferee, or if no person is named therein as transferee, of the person on whose behalf the certificate is deposited.

The Company shall not be liable to any claim by any registered owner or by any intermediate owner or holder of the certificate or of any of the shares represented thereby or any interest therein for registering the transfer, and the transfer, when registered, shall confer upon the person in whose name the shares have been registered a valid title to such shares.

5.04 Every instrument of transfer shall be executed by the transferor and left at the registered office of the Company together with the share certificate for the shares to be transferred and such other evidence, if any, as the Directors may require to prove the title of the transferor or his right to transfer the shares and the right of the transferee to have the transfer registered.

All instruments of transfer where the transfer is registered shall be retained by the Company and any instrument of transfer, where the transfer is not registered, shall be returned to the person depositing the same together with the share certificate which accompanied the same when tendered for registration.

5.05 There shall be paid to the Company in respect of the registration of any transfer such sum, if any, as the Directors may from time to time determine.

PART 6

TRANSMISSION OF SHARES

6.01 In the case of the death of a member, the survivor or survivors where the deceased was a joint registered holder, and the legal personal representative of the deceased where he was the sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares. Before recognizing any legal personal representative, the Directors may require him to obtain

a Grant of Probate or Letters of Administration in British Columbia, and such other documents as the Company Act requires.

6.02 Upon the death or bankruptcy of a member, if the documents required by the Company Act shall have been deposited at the registered office of the Company, the member's personal representative or trustee in bankruptcy, although not a member, shall have the same rights, privileges and obligations that attach to the shares formerly held by the deceased or bankrupt member.

6.03 Any person who becomes entitled to a share due to the death or bankruptcy of a member, or as a result of an order of a Court of competent jurisdiction or a statute, has the right either to be registered as a member in his representative capacity in respect of such share, or if he is a personal representative or trustee in bankruptcy, to make such transfer of the share as the deceased or bankrupt person could have made;

(a) provided however, in the case of death or bankruptcy, such documents and evidence as the Company Act requires shall first have been produced to the Company;

(b) the Directors shall, as regards a transfer by a personal representative or trustee in bankruptcy, have the same right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

PART 7

ALTERATION OF CAPITAL

7.01 The Company may by special resolution filed with the Registrar amend its Memorandum to increase the authorized capital of the Company by:

- (a) creating shares with par value or shares without par value, or both;
- (b) increasing the number of shares with par value or shares without par value, or both; or
- (c) increasing the par value of a class or series of shares with par value, if no shares of that class or series are issued.

7.02 The Company may by special resolution alter its Memorandum to subdivide, consolidate, change from shares with par value to shares without par value, or from shares without par value to shares with par value, or change the name or designation of all or any of its shares, or alter the provisions as to the maximum price or consideration at or for which shares without par value may be issued, but only to such extent, in such manner and with such consents of members as the Company Act provides.

7.03 The Company may alter its Memorandum or these Articles:

- (a) by special resolution, to create, define and attach special rights or restrictions to any shares, and,

(b) by special resolution and by otherwise complying with any applicable provision of its Memorandum or these Articles, to vary or abrogate any special rights and restrictions attached to any shares,

and in each case by filing a certified copy of such resolution with the Registrar.

Provided however, no right or special right attached to any issued shares shall be prejudiced or interfered with unless:

(a) all members holding shares of each class or series whose right or special right is so prejudiced or interfered with consent thereto in writing, or

(b) unless a resolution consenting thereto is passed at a separate class or series meeting of the holders of the shares of each such class or series by a majority of three-fourths, or such greater majority as may be specified by the special rights attached to the class or series of shares, or the issued shares of such class or series.

7.04 Notwithstanding such consent in writing or such resolution, no such alteration shall be valid as to any part of the issued shares of any class or series unless the holders of the rest of the issued shares of such class or series either all consent thereto in writing or consent thereto by a resolution passed by the votes of members holding three-fourths of the rest of such shares.

7.05 Unless these Articles otherwise provide, the provisions of these Articles relating to general meetings shall apply, with the necessary changes and so far as they are applicable, to a class or series meeting of members holding a particular class or series of shares but the quorum at a class or series meeting shall be one person holding or representing by proxy one-third of the shares affected.

PART 8

PURCHASE AND REDEMPTION OF SHARES

8.01 Subject to the special rights and restrictions attached to any shares, the Company may, by a resolution of the Directors and in compliance with the Company Act, purchase any of its shares at the price and upon the terms specified in such resolution, or redeem any of its shares that have a right of redemption attached to them in accordance with the special rights and restrictions set out in these Articles.

No such purchase or redemption shall be made if the Company is insolvent at the time of the proposed purchase or redemption or if the proposed purchase or redemption would render the Company insolvent.

8.02 Unless the Company is purchasing the shares from dissenting members pursuant to the requirements of the Company Act, the Company shall make its offer to purchase pro rata to every member who holds shares of the class or series or kind, as the case may be, to be purchased.

8.03 If the Company proposes at its option to redeem some but not all of the shares of any class or series, the Directors may, subject to the special rights and restrictions attached to such class or series of shares, decide the manner in which the shares to be redeemed shall be selected.

8.04 Subject to the provisions of the Company Act, any shares purchased or redeemed by the Company may be sold or issued by it, but, while such shares are held by the Company, it shall not exercise any vote in respect of these shares and no dividend shall be paid thereon.

PART 9

BORROWING POWERS

9.01 The Directors may from time to time in their discretion on behalf of the Company:

- (a) borrow money in such manner and amount, on such security, from such sources and upon such terms and conditions as they think fit;
- (b) guarantee the repayment of money borrowed by any person or the performance of any obligation of any person;
- (c) issue bonds, debentures, and other debt obligations either outright or as security for any liability or obligation of the Company or any other person; and,
- (d) mortgage, charge, whether by way of specific or floating charge, or give other security on the undertaking, or on the whole or any part of the property and assets of the Company, both present and future.

9.02 Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, and with any special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of Directors or otherwise and may by their terms be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the Directors may determine.

9.03 The Company shall keep or cause to be kept within the Province of British Columbia a register of its debentures and a register of debentureholders, which registers may be combined.

9.04 Every bond, debenture or other debt obligation of the Company shall be signed manually by at least one Director or officer of the Company or by or on behalf of a trustee appointed by the Company for the bond, debenture or other debt obligation.

PART 10

GENERAL MEETINGS

10.01 Subject to any extensions of time permitted pursuant to the Company Act, the first annual general meeting of the Company shall be held within fifteen months from the date of incorporation and thereafter an annual general meeting shall be held once in every calendar year at such time (not being more than thirteen months after the last annual general meeting) and place as may be determined by the Directors.

10.02 If all the members entitled to attend and vote at a general meeting consent in writing to all of the business which is required or desired to be transacted at the meeting, the meeting shall be deemed to have been held on the date specified in such resolution.

10.03 The Directors may, whenever they think fit, convene a general meeting. A general meeting, if requisitioned in accordance with the Company Act, shall be convened by the Directors or, if not convened by the Directors, may be convened by the Requisitionists as provided in the Company Act.

10.04 A notice convening a general meeting specifying the place, the date, and hour of the meeting, and, in case of special business, the general nature of that business, shall be given as provided in the Company Act and in the manner provided in these Articles. Accidental omission to give notice of a meeting to, or the non-receipt of notice by, any member shall not invalidate the proceedings at that meeting.

10.05 All the members of the Company entitled to attend and vote at a general meeting may, by unanimous consent in writing given before, during or after the meeting, or if they are present at the meeting by a unanimous vote, waive or reduce the period of notice of such meeting and an entry in the minute book of such waiver or reduction shall be sufficient evidence of the due convening of the meeting.

10.06 Except as otherwise provided by the Company Act, where any special business at a general meeting includes considering, approving, ratifying, adopting or authorizing any document or the execution thereof or the giving of effect thereto, the notice convening the meeting shall, with respect to such document, be sufficient if it states that a copy of the document or proposed document is or will be available for inspection by members at the registered office or records office of the Company or at some other place in British Columbia designated in the notice during usual business hours up to the date of such general meeting.

PART 11

PROCEEDINGS AT GENERAL MEETINGS

11.01 All business shall be deemed special business which is transacted at an annual general meeting, with the exception of:

- (a) the conduct of, and voting at, such meeting;
- (b) the consideration of the financial statement and of the respective reports of the Directors and Auditor, or any business which is brought under consideration by the reports of the Directors or the Auditor;
- (c) fixing or changing the number of Directors, the election of Directors;
- (d) the appointment of the Auditor, the fixing of the remuneration of the Auditor; and,
- (e) such other business as by these Articles or the Company Act may be transacted at a

general meeting without prior notice thereof being given to the members.

All business shall be deemed special business which is transacted at any other general meeting, with the exception of the conduct of and voting at such meeting.

11.02 No business, other than the election of the chairman or the adjournment or termination of the meeting, shall be transacted at any general meeting unless a quorum of members entitled to attend and vote is present at the commencement of the meeting, but the quorum need not be present throughout the meeting.

(a) Except as provided in the Company Act and these Articles, a quorum shall be two persons present and being, or representing by proxy, members holding not less than one-third of the shares entitled to be voted at the meeting. If there is only one member, the quorum is one person present and being, or representing by proxy, such member.

The Directors, the Secretary, the solicitor, and the auditor of the Company shall be entitled to attend any general meeting but no such person shall be counted in the quorum or be entitled to vote at any general meeting unless he shall be a member or proxyholder entitled to vote thereat.

(b) If within half an hour from the time appointed for a general meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be terminated. In any other case, the meeting shall stand adjourned to the same day in the next week, at the same time and place.

If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the person or persons present and being, or representing by proxy, a member or members entitled to attend and vote at the meeting shall be a quorum.

11.03 The President of the Company, or in his absence, the Secretary of the Company, shall be entitled to preside as chairman at every general meeting of the Company.

11.04 If at any general meeting neither the President nor the Secretary is present within fifteen minutes after the time appointed for holding the meeting or if neither of them is willing to act as chairman, the Directors present shall choose one of their number to be chairman or if all the Directors present decline to take the chair or fail to so choose or if no Director is present, the members present shall choose one of their number to be chairman.

11.05 The chairman may, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice, but not "advance notice", of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

11.06 No motion proposed at a general meeting need be seconded and the chairman may propose or second a motion.

11.07 Subject to the provisions of the Company Act, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or on the declaration of

the result of the show of hands) a poll is directed by the chairman or demanded by at least one member entitled to vote who is present in person or by proxy.

(a) The chairman shall declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, and such decision shall be entered in the minutes of the Company.

(b) A declaration by the chairman that a motion has been carried, or carried unanimously, or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the minutes of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of, or against, that motion.

11.08 The chairman of the meeting shall be entitled to vote any shares carrying the right to vote held by him but in the case of an equality of votes, whether on a show of hands or on a poll, the chairman shall not have a second or casting vote in addition to the vote or votes to which he may be entitled as a member.

11.09 A poll demanded on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken as soon as, in the opinion of the chairman, is reasonably convenient, but not later than seven days after the meeting, and at such time and place and in such manner as the chairman of the meeting directs. The result of the poll shall be deemed to be the resolution of and passed at the meeting at which the poll was demanded. A demand for a poll may be withdrawn.

Any business other than that upon which the poll has been demanded may be proceeded with pending the taking of the poll. In any dispute as to the admission or rejection of a vote, the decision of the chairman made in good faith shall be final and conclusive.

11.10 Every ballot cast upon a poll and every proxy appointing a proxyholder who casts a ballot upon a poll shall be retained by the Secretary for such period and be subject to such inspection as the Company Act may provide.

11.11 On a poll a person entitled to cast more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way.

11.12 Unless the Company Act, the Memorandum or these Articles otherwise provide, any action to be taken by a resolution of the members may be taken by an ordinary resolution.

PART 12

VOTES OF MEMBERS

12.01 Subject to any voting rights or restrictions attached to any class or series of shares and the restrictions as to voting on joint registered holders of shares, on a show of hands every member who is present in person and entitled to vote at a meeting shall have one vote for each share of which he is the registered holder, and on a poll every member entitled to vote shall have one vote for each share of which he is the registered holder and may exercise such vote either in person or by proxyholder.

12.02 Any person who is not registered as a member but is entitled to vote at any meeting in respect of a share, may vote the share in the same manner as if he were a member; but, unless the Directors have previously admitted his right to vote at the meeting in respect of the share, he shall satisfy the Directors of his right to vote the share before the time for holding the meeting, or adjourned meeting, as the case may be, at which he proposes to vote.

12.03 Any corporation not being a subsidiary of the Company which is a member of the Company may, by resolution of its Directors, authorize such person as it thinks fit to act as its representative at any meeting and to speak and vote at any such meeting or to sign resolutions of members.

The person so authorized shall be entitled to exercise in respect of and at such meeting the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member of the Company personally present, including, without limitation, the right, unless restricted by such resolution, to appoint a proxyholder to represent such corporation, and he shall be counted for the purpose of forming a quorum if present at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, telegram, telex, facsimile or any method of transmitting legibly recorded messages. Notwithstanding the foregoing, a corporation being a member may appoint a proxyholder.

12.04 In the case of joint registered holders of a share, the vote of the senior who exercises a vote, whether in person or by proxyholder, shall be accepted to the exclusion of the votes of the other joint registered holders; and for this purpose seniority shall be determined by the order in which the names stand in the register of members. Several personal representatives of a deceased member whose shares are registered in his sole name shall, for the purpose of this Article, be deemed joint registered holders.

12.05 A member of unsound mind entitled to attend and vote, in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee, curator bonis, or other person in the nature of a committee or curator bonis appointed by that court, and any such committee, curator bonis, or other person may appoint a proxyholder.

12.06 A form of proxy shall be in writing under the hand of the appointor or of his attorney duly authorized in writing, or, if the appointor is a corporation, either under the seal of the corporation or under the hand of a duly authorized signatory. A proxyholder need not be a member of the Company.

12.07 A form of proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof shall be deposited at the registered office of the Company not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the meeting in respect of which the person named in the instrument is appointed.

12.08 Unless the Company Act or any other statute or law which is applicable to the Company or to any class or series of its shares requires any other form of proxy, a proxy, whether for a specified meeting or otherwise, shall be in the following form, or in such other form as the Directors or the chairman of the meeting approve:

(Name of Company)

The undersigned hereby appoints _____ or failing him, _____, as proxyholder for the undersigned to attend, act and vote for and on behalf of the undersigned at the general meeting of the Company to be held on the ____ day of _____, 19__, and at any adjournment of that meeting.

Signed this ____ day of _____, 19__.

(Signature of member)

12.09 A vote given in accordance with the terms of a proxy is valid notwithstanding the previous death or incapacity of the member giving the proxy or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, unless notification in writing of such death, incapacity, revocation or transfer has been received at the registered office of the Company or by the chairman of the meeting for which the proxy was given before the vote is taken.

12.10 Every proxy may be revoked by an instrument in writing:

- (a) executed by the member giving the same or by his attorney authorized in writing or, where the member is a corporation, by a duly authorized signatory of the corporation; and
- (b) delivered either at the registered office of the Company at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof for which the proxy is given, or to the chairman of the meeting on the day of the meeting or any adjournment thereof before any vote in respect of which the proxy is given has been taken,

or in any other manner provided by law.

PART 13

DIRECTORS

13.01 The subscribers to the Memorandum of the Company are the first Directors. The Directors to succeed the first Directors may be appointed in writing by a majority of the subscribers to the Memorandum or at a meeting of the subscribers. If not so appointed, they shall be elected by the members entitled to vote on the election of Directors.

The number of Directors shall be the same as the number of Directors so appointed or elected. The number of Directors may be fixed or changed from time to time by ordinary resolution, whether previous notice thereof has been given or not, but notwithstanding anything contained in these Articles, the number of Directors shall never be less than one.

13.02 The remuneration of the Directors as such may from time to time be determined by the Directors or, if so directed by special resolution of the members, by the members in general meeting.

(a) Such remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such who is also a Director.

(b) If any Director shall perform any professional or other services for the Company that in the opinion of the Directors are outside the ordinary duties of a Director, he may be paid such additional remuneration as is fixed by the Board, or, at the option of such Director, by the Company in general meeting.

(c) The Directors shall be repaid such reasonable travelling, accommodation and other expenses as they incur in and about the business of the Company.

13.03 Unless otherwise determined by ordinary resolution, the Directors on behalf of the Company may pay a gratuity, pension or allowance on retirement to any Director who has held any office or appointment with the Company or to his spouse or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

13.04 A Director shall not be required to hold a share in the capital of the Company as qualification for his office but shall be qualified as required by the Company Act, to become or act as a Director.

PART 14

ELECTION AND REMOVAL OF DIRECTORS

14.01 At each annual general meeting of the Company all the Directors shall retire and the members entitled to vote thereat shall elect a Board of Directors consisting of the number of Directors for the time being fixed pursuant to these Articles.

A retiring Director shall be eligible for re-election.

14.02 Where the Company fails to hold an annual general meeting in accordance with the Company Act, the Directors then in office shall be deemed to have been elected or appointed as Directors on the last day on which the annual general meeting could have been held pursuant to these Articles and they may hold office until other Directors are appointed or elected or until the day on which the next annual general meeting is held.

14.03 If at any general meeting at which there should be an election of Directors, the places of any of the retiring Directors are not filled by such election, such of the retiring Directors who are not re-elected as may be requested by the newly-elected Directors shall, if willing to do so, continue in office to complete the number of Directors for the time being fixed pursuant to these Articles until further new Directors are elected at a general meeting convened for that purpose.

If any such election or continuance of Directors does not result in the election or continuance of the number of Directors for the time being fixed pursuant to these Articles, such number shall be fixed at the number of Directors actually elected or continued in office.

14.04 Any Director may by instrument in writing delivered to the Company appoint any person to be his alternate to act in his place at meetings of the Directors at which he is not present unless the Directors shall have reasonably disapproved the appointment of such person as an alternate Director and

shall have given notice to that effect to the Director appointing the alternate Director within a reasonable time after delivery of such instrument to the Company.

(a) Unless disapproved, every such alternate shall be entitled to notice of meetings of the Directors and to attend and vote as a Director at a meeting at which the person appointing him is not personally present, and if he is a Director, to have a separate vote on behalf of the Director he is representing in addition to his own vote.

(b) A Director may at any time by instrument, telegram, telex, facsimile or any method of transmitting legibly recorded messages delivered to the Company revoke the appointment of an alternate appointed by him.

(c) The remuneration payable to such an alternate shall be payable out of the remuneration of the Director appointing him.

14.05 The office of Director shall be vacated if the Director:

(a) resigns his office by notice in writing delivered to the registered office of the Company;
or

(b) ceases to be qualified to act as a Director pursuant to the Company Act.

14.06 The Company may by special resolution remove any Director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead.

PART 15

POWERS AND DUTIES OF DIRECTORS

15.01 The Directors shall manage, or supervise the management of, the affairs and business of the Company and shall have the authority to exercise all such powers of the Company as are not, by the Company Act or by the Memorandum or these Articles, required to be exercised by the Company in general meeting.

15.02 The Directors may from time to time by power of attorney or other instrument, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Directors under these Articles and excepting the powers of the Directors relating to the constitution of the Board and the appointment or removal of officers and the power to declare dividends) and for such period, with such remuneration and subject to such conditions as the Directors may think fit.

Any such appointment may be made in favour of any of the Directors or any of the members of the Company or in favour of any corporation, or of any of the members, directors, nominees or managers of any corporation, firm or joint venture and any such power of attorney may contain such provisions as the Directors think fit.

PART 16

DISCLOSURE OF INTEREST OF DIRECTORS

16.01 A Director who is, in any way, directly or indirectly interested in an existing or proposed contract or transaction with the Company or who holds any office or possesses any property whereby, directly or indirectly, a duty or interest might be created to conflict with his duty or interest as a Director, shall declare the nature and extent of his interest in such contract or transaction or of the conflict or potential conflict, as the case may be, in accordance with the provisions of the Company Act.

16.02 A Director shall not vote in respect of any such contract or transaction with the Company in which he is interested and if he does so, his vote shall not be counted, but he shall be counted in the quorum present at the meeting at which such vote is taken. Subject to the provisions of the Company Act, the foregoing prohibitions shall not apply to:

- (a) any contract or transaction relating to a loan to the Company, of which a Director or a corporation in which he has an interest, has guaranteed the repayment;
- (b) any contract or transaction made or to be made with, or for the benefit of a holding corporation or a subsidiary corporation of which a Director is a director;
- (c) any contract by a Director to subscribe for or underwrite shares or debentures to be issued by the Company or a subsidiary of the Company;
- (d) any contract, arrangement or transaction in which a Director is, directly or indirectly, interested if all the other Directors are also, directly or indirectly interested in the contract, arrangement or transaction;
- (e) determining the remuneration of the Directors;
- (f) purchasing and maintaining insurance to cover the Directors against liability incurred by them as Directors; or
- (g) the indemnification of any Director or officer by the Company.

The foregoing exceptions may from time to time be suspended or amended to any extent approved by the Company in general meeting and permitted by the Company Act, either generally or in respect of any particular contract or transaction or for any particular period.

16.03 A Director may hold any office or appointment with the Company, other than the office of auditor of the Company, in conjunction with his office of Director, for such period and on such terms, as to remuneration or otherwise, as the Directors may determine.

No Director shall be disqualified by his office from contracting with the Company either with regard to his tenure of any such other office or appointment or as vendor, purchaser or otherwise, and subject to compliance with the provisions of the Company Act, no contract or transaction entered into by or on behalf of the Company in which a Director is in any way interested shall be liable to be voided by reason thereof.

16.04 Subject to compliance with the provisions of the Company Act, a Director or his firm may act in a professional capacity for the Company (except as auditor of the Company) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

16.05 A Director may be or become a director or other officer or employee of, or otherwise interested in, any corporation or firm in which the Company may be interested as a member or otherwise, and subject to compliance with the provisions of the Company Act, such Director shall not be accountable to the Company for any remuneration or other benefits received by him as director, officer or employee of, or from his interest in, such other corporation or firm.

PART 17

PROCEEDINGS OF DIRECTORS

17.01 The President shall preside as chairman at every meeting of the Directors. If the President is not present within fifteen minutes of the time appointed for holding the meeting or is not willing to act as chairman, or if the President has advised the Secretary that he will not be present at the meeting, the Directors present shall choose one of their number to be chairman of the meeting.

17.02 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit.

Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall not have a second or casting vote. ×

Meetings of the Board held at regular intervals may be held at such place, at such time and upon such notice (if any) as the Board may by resolution from time to time determine.

17.03 A Director may participate in a meeting of the Board by means of telephone or other communications facility by means of which all Directors participating in the meeting can hear each other and provided that all such Directors agree to such participation.

A meeting so held in accordance with this Article shall be deemed to be an actual meeting of the Board and any resolution passed at such meeting shall be as valid and effectual as if it had been passed at a meeting where the Directors were physically present. A Director participating in a meeting in accordance with this Article shall be deemed to be present at the meeting and to have so agreed and shall be counted in the quorum and be entitled to speak and vote at the meeting.

17.04 Notice of a meeting of the Board shall be given to each Director and alternate Director at least 48 hours before the time fixed for the meeting and may be given orally, personally or by telephone, or in writing, personally or by delivery through the mail or by letter, telegram, telex, electronic facsimile or any other method of transmitting legibly recorded messages in common use. When written notice of a meeting is given to a Director, it shall be addressed to him at his registered address.

Where the Board has established a fixed time and place for the holding of its meetings, no notices of meetings to be held at such fixed time and place need be given to any Director. A Director entitled to notice of a meeting may waive or reduce the period of notice convening the meeting and may give such waiver before, during or after the meeting.

17.05 For the first meeting of the Board to be held immediately following the election of a

Director at a meeting of the Company, no notice of such meeting shall be necessary to such newly elected Director in order for the meeting to be properly constituted.

17.06 Any Director of the Company may file with the Secretary a document executed by him waiving notice of any past, present or future meeting or meetings of the Directors being, or required to have been, sent to him and may at any time withdraw such waiver with respect to meetings held thereafter.

After filing such waiver with respect to future meetings and until such waiver is withdrawn, no notice need be given to such Director or, unless the Director otherwise requires in writing to the Secretary, to his alternate Director of any meeting of Directors and all meetings of the Directors so held shall be deemed not to be improperly called or constituted by reason of notice not having been given to such Director or alternate Director.

17.07 The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and if not so fixed shall be a majority of the Directors or, if the number of Directors is fixed at one, shall be one Director.

17.08 The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed pursuant to these Articles as the necessary quorum of Directors, the continuing Directors may act for the purpose of summoning a general meeting of the Company to increase the number of Directors to that number, but for no other purpose.

17.09 Subject to the provisions of the Company Act, all acts done by any meeting of the Directors, or by any person acting as a Director, shall be as valid as if every such person had been duly elected or appointed and was qualified to be a Director, notwithstanding that it is afterwards discovered that there was some defect in the qualification, election or appointment of any such Directors or person acting as aforesaid, or that they or he was disqualified.

17.10 A resolution consented to in writing, whether by document, telegram, telex, facsimile, or any method of transmitting legibly recorded messages or other means, by all of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and held.

Such resolution may be in two or more counterparts which together shall be deemed to constitute one resolution in writing. Such resolution shall be filed with the minutes of the proceedings of the Directors and shall be effective on the date stated thereon.

PART 18

OFFICERS

18.01 The Directors shall appoint a President and a Secretary and such other officers, if any, as the Directors shall determine and the Directors may at any time terminate any such appointment. No officer shall be appointed unless he is qualified in accordance with the provisions of the Company Act.

18.02 One person may hold more than one of such offices except that the offices of President and Secretary must be held by different persons unless the Company has only one member. Any person

appointed as the President shall be a Director. The other officers need not be Directors.

18.03 The remuneration of the officers of the Company as such and the terms and conditions of their tenure of office or employment shall from time to time be determined by the Directors. Such remuneration may be by way of salary, fees, wages, commission or participation in profits or any other means or all of these modes.

An officer may in addition to such remuneration be entitled to receive after he ceases to hold such office or leaves the employment of the Company a pension, gratuity, or retirement allowance.

18.04 The Directors may decide what functions and duties each officer shall perform and may entrust to and confer upon him any of the powers exercisable by them upon such terms and conditions and with such restrictions as they think fit and may from time to time revoke, withdraw, alter or vary all or any of such functions, duties and powers.

18.05 Every officer of the Company who holds any office or possesses any property whereby, whether directly or indirectly, duties or interests might be created in conflict with his duties or interests as an officer of the Company shall, in writing, disclose to the Directors the nature, character and extent of the conflict.

PART 19

INDEMNITY AND PROTECTION OF DIRECTORS, OFFICERS AND EMPLOYEES

19.01 Subject to the provisions of the Company Act, the Directors may cause the Company to indemnify a Director or former Director of the Company or a director or former director of a corporation of which the Company is or was a member and the heirs and personal representatives of any such person, against all costs, charges and expenses, actually and reasonably incurred by him including an amount paid to settle an action or satisfy a judgment in a civil, criminal or administrative action or proceeding to which he is made a party by reason of his being or having been a Director of the Company or a director of such corporation, including any action or proceeding brought by the Company or any such corporation.

A civil, criminal or administrative action or proceeding shall include a civil, criminal, administrative or other investigation or enquiry the subject of which concerns the acts or conduct of the Director or former Director of the Company while a Director of the Company.

Each Director of the Company on being elected or appointed shall be deemed to have contracted with the Company on the terms of the foregoing indemnity.

19.02 Subject to the provisions of the Company Act, the Directors may cause the Company to indemnify any officer, employee or agent of the Company or of a corporation of which the Company is or was a member (notwithstanding that he is also a Director) and his heirs and personal representatives against all costs, charges and expenses whatsoever incurred by him and resulting from his acting as an officer, employee or agent of the Company or such corporation.

In addition the Company may indemnify the Secretary of the Company (notwithstanding that he is also a Director) and his heirs and personal representatives against all costs, charges and expenses whatsoever incurred by him and arising out of the functions assigned to the Secretary by the

Company Act or these Articles.

Each such Secretary on being appointed shall be deemed to have contracted with the Company on the terms of the foregoing indemnity.

19.03 The failure of a Director or officer of the Company to comply with the provisions of the Company Act, the Memorandum or these Articles shall not invalidate any indemnity to which he is entitled under this Part.

19.04 The Directors may cause the Company to purchase and maintain insurance for the benefit of any person who is or was serving as a Director, officer, employee or agent of the Company or as a director, officer, employee or agent of any corporation of which the Company is or was a member and his heirs or personal representatives against any liability incurred by him as such Director, director, officer, employee or agent.

PART 20

DIVIDENDS AND RESERVE

20.01 The Directors may from time to time declare and authorize payment of such dividends, if any, as they may deem advisable and need not give notice of such declaration to any member.

(a) No dividend shall be paid otherwise than out of funds and/or assets properly available for the payment of dividends and a declaration by the Directors as to the amount of such funds or assets available for dividends shall be conclusive.

(b) The Company may pay any such dividend wholly or in part by the distribution of specific assets and in particular by paid up shares, bonds, debentures or other securities of the Company or any other corporation or in any one or more such ways as may be authorized by the Company or the Directors.

Where any difficulty arises with regard to such a distribution the Directors may settle the same as they think expedient, and in particular may fix the value of such specific assets, and may determine that cash payments in substitution for all or any part of the specific assets shall be made to any members on the basis of the value so fixed in order to adjust the rights of all parties.

20.02 Any dividend declared on shares of any class or series may be made payable on such date as is fixed by the Directors.

20.03 Subject to the rights of members (if any) holding shares with special rights as to dividends, all dividends on shares of any class or series shall be declared and paid according to the number of such shares held. No dividend shall be declared as to part only of the issued shares of any class or series.

20.04 The Directors may, before declaring any dividend, set aside out of the funds properly available for the payment of dividends such sums as they think proper as a reserve or reserves, which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which such funds of the Company may be properly applied.

Pending such application such sum may, at the like discretion, either be employed in the business of the Company or be invested in such investments as the Directors may from time to time think fit. The Directors may also, without placing the same in reserve, carry forward such funds which they think prudent not to divide.

20.05 If several persons are registered as joint holders of any share, any one of them may give an effective receipt for any dividend or other moneys payable in respect of the share.

20.06 No dividend shall bear interest. Where the dividend to which a member is entitled includes a fraction of a cent, such fraction shall be disregarded in making payment thereof and such payment shall be deemed to be payment in full.

20.07 Any dividend or other moneys payable in respect of shares may be paid by cheque sent through the mail directed to the registered address of the holder, or in the case of joint holders, to the registered address of the joint holder who is first named on the register, or to such person and to such address as the holder or joint holders may direct in writing.

The mailing of such cheque shall, to the extent of the sum represented thereby (plus the amount of any tax required by law to be deducted) discharge all liability for the said dividend or other money unless such cheque shall not be paid on presentation or the amount of tax so deducted shall not be paid to the appropriate taxing authority.

20.08 Notwithstanding anything contained in these Articles, the Directors may from time to time capitalize any undistributed surplus on hand of the Company and may from time to time issue as fully paid and non-assessable any unissued shares, or any bonds, debentures or other debt obligations of the Company as a dividend representing such undistributed surplus on hand or any part thereof.

20.09 A transfer of a share shall not pass the right to any dividend declared thereon before the registration of the transfer in the register of members.

PART 21

DOCUMENTS, RECORDS AND REPORTS

21.01 The Company shall keep at its records office or at such other place as the Company Act may permit, the documents, copies, registers, minutes, and records which the Company is required by the Company Act to keep at its records office or such other place, as the case may be.

21.02 The Company shall cause to be kept proper books of account and accounting records in respect of all financial and other transactions of the Company in order properly to record the financial affairs and condition of the Company and to comply with the Company Act.

21.03 Unless the Directors determine otherwise, or unless otherwise determined by an ordinary resolution, no member of the Company shall be entitled to inspect the accounting records of the Company.

21.04 The Directors shall from time to time at the expense of the Company cause to be

prepared and laid before the Company in general meeting such financial statements and reports as are required by the Company Act.

21.05 Every member shall be entitled to be furnished once gratis on demand with a copy of the latest annual financial statement of the Company.

PART 22

NOTICES

22.01 A notice, statement or report may be given or delivered by the Company to any member either by delivery to him personally or by sending it by mail to him at his address as recorded in the register of members.

(a) Where a notice, statement or report is sent by mail, service or delivery of the notice, statement or report shall be deemed to be effected by properly addressing, prepaying and mailing the notice, statement or report. Service or delivery shall be deemed to have been given four days (Saturdays, Sundays and holidays excepted) following the date of mailing.

(b) A certificate signed by the Secretary or other officer of the Company that the letter, envelope or wrapper containing the notice, statements or report was so addressed, prepaid and mailed shall be conclusive evidence thereof.

22.02 A notice, statement or report may be given or delivered by the Company to the joint holders of a share by giving the notice to the joint holder first named in the register of members in respect of that share.

22.03 A notice, statement or report may be given or delivered by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a member by prepaid mail addressed to such persons at the address (if any) supplied to the Company for that purpose by the persons claiming to be so entitled, or (until such address has been so supplied) by giving the notice in a manner in which the same might have been given if the death, bankruptcy or incapacity had not occurred.

22.04 Notice of every general meeting or meeting of members holding a class or series of shares shall be given in a manner hereinbefore authorized to every member holding at the time of the issue of the notice or the date fixed for determining the members entitled to such notice, whichever is the earlier, shares which confer the right to notice of and to attend and vote at any such meeting. No other person except the auditor of the Company and the Directors shall be entitled to receive notices of any such meeting.

PART 23

RECORD DATES

23.01 The Directors may fix in advance a date, which shall not be more than the maximum

number of days permitted by the Company Act preceding the date of:

- (a) any meeting of members or any class or series thereof, or
- (b) the payment of any dividend, or
- (c) the proposed taking of any other proper action requiring the determination of members,

as the record date for the determination of the members entitled to notice of, or to attend and vote at, any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend or for any other proper purpose and, in such case, notwithstanding anything elsewhere contained in these Articles, only members of record on the date so fixed shall be deemed to be members for the purposes aforesaid.

23.02 Where no record date is so fixed for the determination of members as provided in the preceding Article, the date on which the notice is mailed or on which the resolution declaring the dividend is passed, as the case may be, shall be the record date for such determination.

PART 24

SEAL AND EXECUTION OF DOCUMENTS

24.01 The Directors may provide a seal for the Company and, if they do so, shall provide for the safe custody of the seal. The seal shall not be affixed to any instrument except in the presence of, or attested by the signatures of, such person or persons as the Directors may from time to time by resolution appoint and any such resolution may be general in its nature.

The said Directors, officers, person or persons in whose presence the seal is so affixed to an instrument shall sign such instrument.

24.02 The Company may have for use in any other province, state, territory or country an official seal which shall have on its face the name of the province, state, territory or country where it is to be used.

PART 25

PROHIBITIONS

25.01 The number of persons who beneficially own shares of the Company shall be limited to fifty.

25.02 No shares or debt obligations issued by the Company shall be offered for sale to the public.

25.03 Notwithstanding anything contained in these Articles, no shares shall be transferred without the prior consent of the Directors expressed by a resolution of the Board, and the Directors may in their absolute discretion decline to register any transfer of shares. The Directors shall not be required

to give any reason for refusing to consent to any such proposed transfer.

Provided however the consent of the Directors shall not be required in respect of the transfer of any shares pursuant to a shareholders' agreement between all of the members of the Company. The Secretary of the Company shall be entitled to require evidence reasonably satisfactory to him that the terms of such agreement have been complied with.

PART 26

RESTRICTIONS ON SHARE TRANSFERS

26.01 No shares in the capital of the Company shall be transferred by any member, the court appointed committee of a member, or the personal representative of any deceased member or trustee in bankruptcy of any bankrupt member, or the liquidator of a member which is a corporation, except under the conditions set out in this Part.

26.02 A person (in this Part called the "transferor") desiring to transfer any share or shares in the Company shall give notice in writing (in this Part called the "transfer notice") to the Company that he desires to transfer the same.

(a) The transfer notice shall specify the price, in lawful money of Canada, and the terms of payment upon which the transferor is prepared to transfer the share or shares and shall constitute the Company his agent for the sale thereof to any member or members of the Company at the price and upon the terms of payment so specified.

(b) The transfer notice shall also state whether or not the proposing transferor has had an offer to purchase the shares or any of them from, or proposes to sell the shares or any of them to, any person or persons, and if so the names and addresses of such persons shall be specified in the transfer notice.

(c) The transfer notice shall constitute an offer by the transferor to the other members of the Company holding shares of the class or series included in the transfer notice and shall not be revocable except with the sanction of the Directors.

(d) If the transfer notice pertains to shares of more than one class or series then the consideration and terms of payment for each class or series of shares shall be stated separately in the transfer notice.

26.03 The Directors shall forthwith upon receipt thereof transmit a copy of the transfer notice to each of the members, other than the transferor, holding shares of the class or series set forth in the transfer notice and request such members to state in writing within twenty-one days from the date the transfer Notice is sent whether he is willing to accept any, and if so, the maximum number of shares he is willing to accept at the price and upon the terms specified in the transfer notice.

A member shall only be entitled to purchase shares of the class or series held by him.

26.04 Upon the expiration of the said twenty-one day notice period, if the Directors have received from the members entitled to receive the transfer notice sufficient acceptances to take up the full number of shares offered by the transfer notice, the Directors shall thereupon apportion the shares

so offered among the members so accepting and so far as may be, pro rata, according to the number of shares held by each of them respectively, and in the case of more than one class or series of shares, then pro rata in respect of each class or series.

(a) If the Directors shall not have received sufficient acceptances as aforesaid, they may, but only with the consent of the transferor who shall not be obliged to sell to members in the aggregate less than the total number of shares of all classes and series offered by the transfer notice, apportion the shares so offered among the members so accepting so far as may be according to the number of shares held by each respectively but only up to the amount accepted by such members respectively.

(b) Upon any such apportionment being made the transferor shall be bound upon payment of the price to transfer the shares to the respective members to whom the Directors have apportioned such shares.

(c) If the transferor, having become so bound, fails to transfer any share, the Company may receive the purchase money for that share and shall upon receipt cause the name of the purchasing member to be entered in the register as the holder of the shares and cancel the certificate of the shares held by the transferor, whether the same shall be produced to the Company or not, and shall hold such purchase money in trust for the transferor.

The receipt of the Company for the purchase money shall be a good discharge to the purchasing member and after his name has been entered in the register the validity of the proceedings shall not be questioned by any person.

26.05 If some or all of the shares offered shall not be sold under the preceding Articles, the transferor shall be at liberty for a period of ninety days after the expiration of the aforesaid twenty-one day period to transfer such of the shares so offered as are not sold to any person provided that he shall not sell them at a price less than that specified in the transfer notice or on terms more favourable to a purchaser than those specified in the transfer notice.

26.06 The provisions as to transfer contained in this Part shall not apply:

(a) If before the proposed transfer of shares is made, the transferor obtains consents to the proposed transfer from the registered holders of three-quarters or more of the other issued shares of each class or series to be transferred, and such consent shall be taken to be a waiver of the application of the preceding Articles to such transfer;

(b) To a transfer of shares to a bare trustee for the owner thereof, or to a replacement for such trustee if the Directors are satisfied that such is the case.

(c) To a transfer of any shares pursuant to a shareholders' agreement between all of the members of the Company. The Secretary of the Company shall be entitled to require evidence reasonably satisfactory to him that the terms of such agreement have been complied with.

- 25 -

PART 27

SPECIAL RIGHTS AND RESTRICTIONS

27.1 The Class A Voting Common Shares, the Class B Voting Common Shares, the Class C Non-Voting Common Shares shall carry the same rights, save and except that:

- (a) dividends may be declared and paid on any class of shares to the complete or partial exclusion of the other classes, and
- (b) the holders of the Class C Non-Voting Common Shares shall not have the right to vote.

27.2. The Directors of the Company shall have the power to determine the price or consideration at or for which the shares without par value in the capital of the Company shall be allotted or issued.

27.3. Special Rights and Restrictions attached to the Preferred Redeemable Shares.

27.3.1. Right To Vote

No holder of a Preferred Redeemable Share shall be entitled to vote nor to any notice of nor any right to attend any meetings of members of the Company.

27.3.2. Dividends

All Preferred Redeemable Shares shall carry the right to an annual, non-cumulative dividend of eight percent (8%) per annum calculated on the Redemption Price (as hereinafter defined) of the Preferred Redeemable Shares payable at such time or times and such place or places and at such rate as the Directors in their sole discretion may determine.

Without restricting the foregoing, dividends may be declared on any other class or classes of shares of the Company without dividends being declared on the Preferred Redeemable Shares. If in any fiscal year the Directors shall not declare a dividend for the Preferred Redeemable Shares then the right of the holders to any dividend for such fiscal year shall be forever extinguished.

27.3.3. Redemption

a) At the time of the allotment of any Preferred Redeemable Shares, the Directors of the Company shall determine the price or consideration at or for which such Preferred Redeemable Shares shall be redeemed (herein referred to as the "Redemption Price").

b) The Preferred Redeemable Shares may be redeemed for the Redemption Price plus all dividends declared thereon but unpaid:

- (i) upon request of the Company, by notice in writing to the holder thereof; any such redemption shall be at the sole discretion of the Directors as to the number of shares to be redeemed and which shares may be redeemed and need not be by lot or pro rata unless the Directors so determine. The Company shall not be entitled to make request for redemption if such redemption would render the Company insolvent or in

contravention of applicable law.

- (ii) upon request of the holder by 10 days notice in writing to the Company accompanied by deposit at the registered office of the Company of executed share certificates for the shares sought to be redeemed. Any such request shall be accompanied by proof of notice in writing of such request to all other holders of any Preferred Redeemable Shares. The other holders shall then be entitled to request redemption concurrently by notice in writing to the Directors within the said 10 days.

Upon receipt of such request the Company shall, unless the Directors are of the opinion that redemption cannot be made without rendering the Company insolvent or that such redemption is in contravention of law, redeem all such shares requested to be redeemed, within a reasonable time (in all the circumstances) following the date of request for redemption.

In the event the request for redemption would give rise to insolvency or would contravene applicable law, only such number of Preferred Redeemable Shares as can be redeemed without causing such insolvency or contravention, shall then be redeemed pro rata and the Company shall redeem the balance of the Preferred Redeemable Shares in respect of which the Company has received request for redemption so soon as such redemption can be made without rendering the Company insolvent or in contravention of law.

- c) The Company shall not purchase or redeem any Preferred Redeemable Shares for less than the Redemption Price of such Shares.

If there are insufficient assets remaining in the Company to redeem or purchase the Preferred Redeemable Shares at their Redemption Price, then the Company shall not purchase or redeem the Preferred Redeemable Shares for less than the net realizable value of the Company.

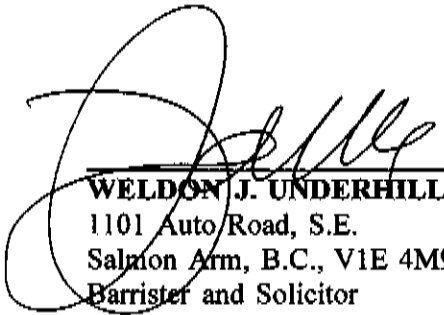
- d) The Company shall not declare or pay dividends on the Class A Voting Common Shares, the Class B Voting Common Shares, or the Class C Non-voting Common Shares if such dividends would result in the Company having insufficient assets to redeem all of the outstanding Preferred Redeemable Shares at their Redemption Price.

27.3.4. Winding Up Or Dissolution

The Preferred Redeemable Shares shall carry the right in the liquidation, dissolution or winding up of the Company to receive an amount equal to the Redemption Price of the Preferred Redeemable Shares together with all dividends declared thereon but unpaid in preference and priority to the Class A Voting Common, Class B Voting Common and Class C Non-voting Common Shares but they shall not confer a right to any further participation in the profits or assets of the Company.

FULL NAME, RESIDENT ADDRESS AND
OCCUPATION OF EACH SUBSCRIBER

NUMBER AND KIND AND CLASS
OF SHARES TAKEN BY EACH
SUBSCRIBER



WELDON J. UNDERHILL
1101 Auto Road, S.E.
Salmon Arm, B.C., V1E 4M9
Barrister and Solicitor

ONE (1) Class A Voting
Common Share

TOTAL SHARES TAKEN:

ONE (1) Class A Voting
Common Share

Dated this 17th day of August, 1994.